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REPORT

CD NO.

DATE OF INFORMATION 1949

DATE DIST. 17 Jan 1950

NO. OF PAGES 2

SUPPLEMENT TO  
REPORT NO.

DATE  
PUBLISHED 27 Nov 1949

LANGUAGE German

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SOURCE Neue Zuercher Zeitung, No 2457, 1949.

EAST GERMANY NATIONALIZING RESTAURANTS

Some time ago, the German Economic Commission, through its organ the HO (Trade Organization), started instituting so-called HO restaurants in all parts of the Soviet Zone and the Soviet Sector of Berlin. Allegedly this action was prompted by the following aims: elimination of the black market, relaxation of controls, and reduction of prices. It is obvious, however, that none of these three goals has been achieved and that, on the contrary, the underlying reason for this "reform" was the desired collectivization of this important and extensive trade, in line with the general collectivization program effected by the regime.

As for price reductions, practically no progress has been made. Menus displayed indicate the following price scale (in East marks):

Broth with noodles	2.00
2 rolls, or one slice of bread with sausage	4.50
1 boiled egg	2.20
2 fried eggs with ham	3.60
Sausage with cabbage and potatoes	7.60
200-gram pork chop with fried potatoes and mixed salad	21.15
1 cup of coffee with milk and sugar	1.80
Mixed vegetable platter with baked potato	6.00
1 slice white bread	.40
1 piece of plain cake	2.05

These prices vary from day to day, depending on the rate of exchange affecting East and West marks. On the day of report the exchange was 5.60 East marks for one West mark. Accordingly, prices in the Soviet Sector (figured in West marks) are on a par with or somewhat above those prevailing in the Western Zones of Germany.

- 1 -

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With the price of a pork chop amounting to nearly one half his weekly wages, the average Berliner can hardly afford these eating places. The majority of patrons, therefore, consist of functionaries of the Socialist Unity Party, of Germans employed by Soviet enterprises receiving pay far in excess of the wage scale, and of Berliners from the Western Sectors who are trying to profit from the favorable exchange rate. This explains the fact that eating places in the Western Sectors are doing an extremely poor business.

Eastern Berlin now has eight large HO restaurants, as well as some cafes and pastry shops and numerous HO snack bars. Other such eating places are planned. They are not under HO jurisdiction but are being administered by a planning commission whose members have an active interest in the various food-selling enterprises. This commission is responsible for the business administration, for carrying out improvements, determining prices, enforcing cleanliness and insuring proper preparation of food and friendly, efficient service. Tips have been officially abolished. All personnel share in the profits and a premium system is in effect.

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- 2 -

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